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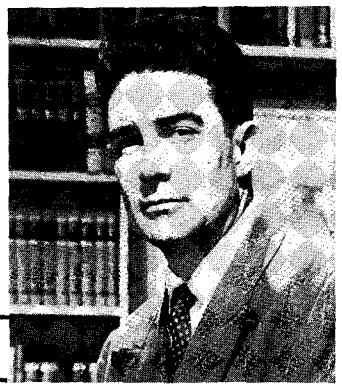

DAN SMOOT

ALLIANCE FOR PROGRESS—PART I

Alliance for Progress — the current program of United States aid to Latin American nations — was initiated by Eisenhower; but it has become the major feature of President Kennedy's foreign policy.

The President claims that Alliance for Progress is intended to save Latin America from communism. Actually, the program is using American tax money to finance, and force upon Latin American countries, a communist-socialist revolution.

Kennedy has never given any precise estimate of what he expects to spend on Alliance for Progress; but general estimates are that the program will cost United States taxpayers 20 billion dollars in the first ten years. (1)

Origins

The origins of the Alliance for Progress program are almost as unsavory as its consequences.

On July 13, 1960, Fernando Berckemeyer (Peruvian Ambassador to the United States) and Roy R. Rubottom, Jr. (then Assistant Secretary of State for Inter-American Affairs) discussed in Washington a suggestion by the Peruvian government that foreign ministers of all 21 American republics meet to discuss the Soviet threat in the Americas.

A committee composed of representatives from seven Central and South American nations went to work on the Peruvian suggestion. The committee's biggest job was deciding upon an agenda and a meeting place that would be acceptable to Castro of Cuba! On July 26, 1960, the committee announced it had solved this major problem: the foreign ministers' conference of the Organization of American States could meet at San Jose, Costa Rica; and it would consider as its first order of business, not communist control of Cuba or

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communist infiltration of Latin America, but charges against General Rafael Trujillo of the Dominican Republic. The government of Venezuela had accused Trujillo of plotting to assassinate Romulo Betancourt, President of Venezuela.

On August 16, 1960, foreign ministers representing 21 American nations, began their conference at San Jose.

Christian Herter, Eisenhower's Secretary of State, took the lead in getting the Organization of American States to take action against the Dominican Republic.

On August 20, 1960, the Conference adopted a formal resolution recommending that all other American nations break diplomatic relations with the Dominican Republic and impose severe economic sanctions against her.

On August 22, 1960, Christian Herter initiated the second stage of the OAS meeting at San Jose, Costa Rica, by presenting a United States bill of particulars against Cuba.

On August 23, 1960, Julio Cesar Turbay Ayala (Colombian foreign minister) answered Herter's charges against Castro. Turbay reaffirmed his faith in the principles of Castro's "revolution" and denied that Castro was actually a communist. Turbay reviewed, "with interest," Castro's charges against the United States — and deplored the United States' "sugar restrictions" against Cuba (that is, our cutting off the sugar subsidy).

On August 29, 1960, the foreign ministers proclaimed the "Declaration of San Jose," written by Turbay of Colombia, in which the members of the Organization of American States pledged themselves to "democratic principles"; to the rejection of totalitarian regimes of "the right or left"; to non-intervention in each others' affairs; and to support of the Organization of American States. The declaration did not even mention Cuba.

Thus the San Jose Conference of the Organization of American States — originally proposed by Peru for the purpose of discussing the Soviet threat in Cuba — achieved the destruction of Trujillo, America's only strong anti-communist friend in the Caribbean area; but did not even scold Castro.

Christian Herter came home from San Jose, boasting that the United States had achieved a great diplomatic triumph!

The "first stage" of the OAS Conference of 1960 was completed at San Jose on August 20, when the delegates voted to isolate Trujillo of the Dominican Republic. The "second stage" was completed on August 29, when the Declaration of San Jose was adopted.

The "third stage" of the Conference was conducted not at San Jose, Costa Rica, but at Bogota, Colombia. The "third stage," beginning on September 6, 1960, was a meeting of the "economic" ministers of the American republics. This Bogota stage of the OAS Conference was, simply, our State Department's pay-off to the Central and South American republics for what they had done at San Jose.

Douglas Dillon (then Eisenhower's Under Secretary of State) went to the Bogota Conference with an Eisenhower promise of 500 million dollars of American tax money to be given Latin American nations.

Dillon began his speech to the Conference by paying tribute to the role which Turbay of Colombia had played at the San Jose Conference. Remember, Turbay wrote the Declaration of San Jose, which turned out to be a victory for international communism. Turbay had praised the principles of Castro's revolution; he had viewed, "with interest," Castro's charges against the United States; and he had denounced the United States' "sugar restrictions" against Castro.

Before Dillon went to Bogota, the whole world knew that Eisenhower was sending him with a promise of 500 million dollars in aid to Latin America. But there had been grumbling throughout Latin America that this was not enough. Castro was demanding that the United States inaugurate a 30 billion dollar aid program to Latin America. Brazil, and

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most other Latin American nations, were supporting the general tenor of Castro's demands, though the figures they named were somewhat less extravagant.

It looked as if our Latin American friends might not *graciously* accept Eisenhower's offer of 500 million dollars.

Douglas Dillon was prepared. He made it clear that the 500 million dollars which he had come to offer was a mere drop in the bucket — just a beginning. All of this was to be used only for "social development." He promised bigger and more respectable United States aid to all of Latin America to continue "economic development" in that region.

"Social development," apparently, means schools, housing, hospitals — that sort of thing — to be built with money taken away from United States taxpayers. "Economic development" seems to mean the continuation of building, with United States tax money, roads, harbors, industrial plants (to compete with our own, of course), public buildings, and so on.

Douglas Dillon won another smashing "diplomatic victory" for the United States at Bogota: the Latin American republics agreed to accept our offer of 500 million dollars for "social development," and our promise of billions for "economic development"!

On September 13, 1960, the economic ministers of the American republics signed the "Act of Bogota," "authorizing" a massive program of United States aid to Latin American countries.

In his first inaugural address (January 20, 1961) President Kennedy gave this new aid-to-Latin-America program its current name: *Alliance for Progress.* President Kennedy said:

"To our sister republics south of our border, we offer a special pledge — to convert our good words into good deeds — in a new alliance for progress — to assist free men and free governments in casting off the chains of poverty."

Revolutionary Purpose

On March 13, 1961, speaking to Latin American diplomats, and members of the U. S. Congress, President Kennedy said:

"I have called on all the people of the Hemisphere to join in a new *Alliance for Progress*. . . . I have this evening signed a request to the Congress for $500 million as a first step in fulfilling the Act of Bogota. This is the first large-scale inter-American effort — instituted by my predecessor, President Eisenhower — to attack the social barriers which block economic progress. . . .

"This political freedom must be accompanied by social change. For unless necessary social reforms, including land and tax reforms, are freely made . . . then our alliance, our revolution, our dream, and our freedom will fail. . . ."[2]

In his formal message to Congress (March 14, 1961) asking for the 500 million dollars to initiate the "Alliance for Progress" (as "authorized" by the Act of Bogota) President Kennedy again stressed the revolutionary purpose of this program. Acknowledging that "revolutionary new social institutions and patterns cannot be designed overnight," President Kennedy implied that we must nonetheless begin at once a crash program to overturn the existing way of life in Latin America — giving our aid not on the basis of need, but "on the demonstrated readiness of each government to make the institutional improvements" which we require.

This theme of total revolution in Latin America, financed and enforced by United States tax money under the label of "Alliance for Progress," was re-emphasized at a Special Meeting of the Inter-American Economic and Social Council (held at Punta del Este, Uruguay) on August 16, 1961. In the formal declaration issued by the delegates at this meeting, the Latin American nations receiving American aid pledged themselves:

"To encourage . . . programs of integral agrarian reform. . . .

"To assure to workers fair wages and satisfactory working conditions;

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"To establish effective systems of labor-management relations and procedures. . . .

"To reform tax laws, demanding more from those who have most, punishing tax evasion severely, and redistributing the national income. . . ."(3)

The Revolutionists

On November 6, 1961, President Kennedy announced appointment of Teodoro Moscoso as Regional Administrator for Latin America in the new Agency For International Development — that is, as head of the Alliance for Progress program. Moscoso is a Puerto Rican socialist, an early protege of Rexford Guy Tugwell, the "braintruster" whom Franklin D. Roosevelt made Governor of Puerto Rico. Moscoso is also an intimate friend of Romulo Betancourt, President of Venezuela, who is a communist.

To understand the grim truth — that Alliance for Progress is a crash program with American tax money to tear Latin America apart and then reorganize it according to the communist plan for a "marxist" land — one needs a little background information on some of the principal actors in this revolutionary drama. At present, two of the principals are Teodoro Moscoso, Kennedy's Chief of the Alliance for Progress program; and Romulo Betancourt, communist President of Venezuela.

Former United States Representative John Rousselot (Republican, California) did a great deal of research on Betancourt, and put the results of his labors into the *Congressional Record*: September 23, 1961, pp. 19674 ff.; February 26, 1962, pp. 2703 ff.; July 11, 1962, pp. 12288 ff.

U. S. Representative William C. Cramer (Republican, Florida) put into the *Congressional Record* of October 13, 1962 (pp. A7702-3), and February 7, 1963 (pp. 1870 ff.), more revealing information about Betancourt.

Here, in brief, is the Betancourt story:

As a young man, Betancourt worked openly as a functionary of the communist international in Venezuela. For this communist activity, he was exiled from his homeland in 1928. During exile, Betancourt went to Costa Rica where, with Manuel Mora, he founded the communist party of Costa Rica and was, for five years (1930-1935) head of that party. Working openly for a communist revolution throughout Latin America, Betancourt discovered that communism could not thus be sold to the people. It would have to be imposed upon them by deception. Betancourt devised a hoax. He would "renounce" his membership in the communist party and return to Venezuela as an "anti-communist," and work to impose communism on his homeland by calling his program "anti-communist."

He did return to Venezuela, gathered his old communist cronies around him, and launched his new communist program of deception. He had made the mistake, however, of explaining his scheme in letters to communist friends. These letters fell into the hands of Venezuelan authorities; and Betancourt was again ordered into exile. He evaded this banishment and went underground. For 9 years he remained in hiding. During that time, he organized a powerful communist front disguised as a political party, which he called Accion Democratica ("Democratic Action").

In 1945, a military junta overthrew the legal government of Venezuela, and turned to Betancourt for leadership. Betancourt became president of the junta. Using the established political machinery of Accion Democratica, and appointing communist henchmen to key posts in government, Betancourt ruled Venezuela for three years.

His rule was so corrupt and tyrannical that, on November 24, 1948, an uprising of military officers, led by Marcos Perez Jimenez, overthrew Betancourt and his stooges; and Betancourt again went into exile.

For over nine years, Betancourt remained in exile. He spent much of that time in New York City, where he became the darling of the ultra-liberal, anti-anti-communist crowd

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of socialist intellectuals — a hero to the leading liberals of the Eisenhower, and later of the Kennedy, administration.

In 1956, Betancourt's communist connections became so objectionable that he was arrested in New York City (on information supplied by the FBI), was expelled from the United States, and denied readmittance. He was, however, permitted to live in Puerto Rico. Here, he became an intimate of Munoz-Marin, socialist governor of Puerto Rico, and of Teodoro Moscoso. (4)

Leftist groups in Venezuela (widely believed to have been directed and encouraged by Betancourt's new friends in the American State Department) overthrew Marcos Perez Jimenez in January, 1958. About June, 1958, Betancourt returned to Venezuela, revived his Accion Democratica, and ran for President. Again with the undercover support of the American State Department (which included widely circulated rumors, in Venezuela, that if Betancourt's party won the election, Venezuela would receive mammoth amounts of aid from the United States), Betancourt was elected.

Jimenez (who had given Venezuela the best government and had brought the nation to the highest level of prosperity in its history) was exiled. He sought asylum in the United States. Betancourt wants him returned to Venezuela so that he can be executed. He has filed outrageous charges against Jimenez, who is now in a Miami jail awaiting extradition. The American State Department and the powerful leftwing propaganda forces in the United States (including, for example, such "respected" organs as *The Christian Science Monitor*) have for months been conducting a massive hate - campaign against Jimenez, preparing public opinion for denying him asylum so that he can be turned over to Betancourt for liquidation.

In 1961, the law firm of Dean Acheson (who is a Special Adviser to President Kennedy) received $180,000 from Betancourt's government as a fee for representing Venezuela in the extradition proceedings against Jimenez.(4)

Alliance Showpiece

Meanwhile, Betancourt's regime in Venezuela has become a cesspool of corruption and tyranny. Despite Venezuela's enormous natural riches (and despite the hundreds of millions of dollars which Betancourt has obtained from the United States), grinding poverty, economic chaos, and wild disorder reign in Venezuela.

The reported "communist" sabotage in Venezuela, and Betancourt's alleged "crack-down" on communists, are merely part of a hoax — to justify Betancourt's seizure of absolute power, and to help the Kennedy Administration justify more aid.

Communist Betancourt's Venezuela is the land which the Kennedy Administration points to as the "showpiece of the Alliance for Progress." (5)

Shortly after Kennedy was inaugurated in January, 1961, he appointed Teodoro Moscoso (Betancourt's old friend) to be Ambassador to Venezuela. In November, 1961, Kennedy promoted Moscoso to the post of Chief of the Alliance for Progress. In December, 1961, when it became apparent that Betancourt, despite his support from Washington, was in deep trouble in Venezuela, President and Mrs. Kennedy made a hastily planned visit to him, to help shore up his sagging regime. Here is an account of this disgraceful episode in American history, in the words of U. S. Representative John Rousselot (*Congressional Record*, February 26, 1962, p. 2703):

"President Kennedy's trip to Venezuela was what was needed to bolster Betancourt's sinking Accion Democratica government. To the eternal humiliation of the American people, President Kennedy permitted himself to be used in this desperate Betancourt personal political maneuver. He permitted himself to be paraded through the streets of Caracas to impress upon the discontented Venezuelan populace that the United States is backing Betancourt. Before he departed, he was per-

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suaded to deliver a series of speeches, obviously prepared for him by his collectivist aides, hailing the alleged progress of Venezuela under Betancourt and pledging generous American loans."

Mr. Rousselot's words do not adequately portray the shameful behavior of the American President while visiting communist Betancourt.

President and Mrs. Kennedy arrived in Venezuela on December 16, 1961. In his welcoming speech, Betancourt (while praising Kennedy personally) insulted the United States with open arrogance. Betancourt praised Kennedy as a "United States President who is rectifying a long period of ignorance and lack of comprehension [in the United States]." Betancourt denounced the "arrogant belief [in the United States] that the friendship . . . [of Latin America] was guaranteed to the United States by the self-appointed rulers and their courts of small oligarchies." Betancourt criticized the "bad habits of bureaucratic routine" in the United States, which had slowed down the flow of United States aid to Latin America, and demanded speed in "satisfying" the economic, social and cultural under-development of Latin America.

President Kennedy answered these insults to the United States by saying:

"Your distinguished President Romulo Betancourt, is demonstrating the capacity of free men to realize their aspirations without sacrificing liberty or dignity.

"He has re-established democratic government after a decade of dictatorship — and he has carried forward a solid and responsible program of economic progress. . . .

"I come [to Venezuela] to take counsel with your leaders . . . to witness the magnificent example of vital democracy which is being carried forward in Venezuela. . . ."

In another speech at La Morita, on December 17, President Kennedy said:

"Here in Venezuela the meaning of the new Alianza para el Progreso is being demonstrated, for you have made a tradition and transition from depressive dictatorship into a free life for the people of this country to progressive democratic rule under the grant of the great democratic statesman of the Western Hemisphere — your distinguished President Romulo Betancourt. . . .

"Today eighty-six families will receive their titles to their own homes under a program which has already settled 38,000 families on 3,800,000 acres of land.

"This is your program — the program of your progressive far-seeing Government — and the people of my country will share in this program by making available more loans to build rural homes and more credits to finance your crops.

"This program is at the heart of the Alianza para el Progreso."(6)

Agrarian Reforms

It is rumored in Venezuela that farmers who want to get a piece of land under Betancourt's "agrarian reform" must kick back 10% of the value to Betancourt's political party (Accion Democratica). But even if we ignore the graft (at our expense) what do we find, on close examination, in the "agrarian reform" which President Kennedy praises extravagantly, and which he says is the heart of our Alliance for Progress program for all of Latin America? Here is what U. S. Representative Rousselot found:

"The United States is the greatest example that could be cited of a nation which has enriched itself through a constructive agrarian program. Our program was inaugurated with the Homestead Act after the Civil War.

"Through this Act, vast stretches of rich virgin land in the West were brought into cultivation. The Act did not propose to take over the productive farms already in operation in New York, Pennsylvania, and Virginia, and cut them up into small uneconomic holdings. . . . Instead, it directed the new farmers to uncultivated land on the frontier, which increased rather than decreased the Nation's crop production.

"Does Betancourt propose to do this in Venezuela with the aid of the agrarian reform millions which President Kennedy promised him? No indeed. Venezuela has enormous stretches of uncultivated and good government-owned land in the provinces of Sucre, Monaga, Ansoategui, and Bolivar. They are served by convenient transportation facilities.

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For the more distant future, it has the empire sweep of the vast area beyond the Orinoco.

"Did Betancourt propose an agrarian plan, like that of the United States, which would open up this abundant government-owned land through an orderly, wealth-producing program? He did not.

"Instead, he launched a program to buy up land already in successful cultivation and cut it up into small, uneconomic plots. These plots were mostly near Caracas where they could be used as showcase exhibits for credulous visitors. President Kennedy was taken to one of these cut-up farms and induced to make a speech enthusiastically hailing the Betancourt land program, and promising far-reaching aid."(7)

The "agrarian" and other "social" reforms which our socialist planners are devising, and financing with our money, throughout Latin America, have sinister aspects.

A Mexican businessman, deeply disturbed about our Alliance for Progress program, sent me the following account of what is happening:

"In many Latin American countries the vast majority of the land areas taken away from the large land owners is reportedly divided up among peons or poor rural peasants. This sounds lovely to the people who read it and especially attractive to the American people who through their government and government banks finance with loans and grants these so-called agrarian reforms which *appear* to give the land to the peasants.

"However almost the exact reverse is the case. Most of the land taken away from the large land owners is *not* given to the peons or peasants, but the ownership is kept by the governments and only assigned year by year to the peons. Thereby the former landowner is replaced by a much bigger landowner whose local representative is a political appointee who is able to assign a small piece of land each year to each peon or refuse it to him or change him to another piece as he (the political appointee) sees fit.

"The result is, in practice, that the peon has lost his old patron, who in many cases was a humane sort of person, and generally lived on the property at least a part of the year, and whose ear could be reached by the peon, as those who have lived in Latin America in the past can testify. In exchange he has a new patron who is a 'faceless, cold, impersonal' government office represented by a frequently changing political appointee who has no direct interest in the productivity of the soil and frequently is principally interested in enriching himself while he holds on to his insecure job.

"The peon does not own any land, he has no feeling of ownership, does not know how long he may be permitted to work the same plot and hence can have no interest in improving the land, and does feel totally dependent

DAN SMOOT,
P. O. Box 9538, Lakewood Station
Dallas 14, Texas

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on the whim of the politicians, which is just what the communists desire and in this way attain. All the land belongs to the government.

"The same is true of most of the government *housing* schemes. The houses are not sold to the people but are rented to them. All the houses belong to the government and this added to the government control of transportation, telegraphs, movies and the press, is perfect preparation for the establishment of the totalitarian state or Communism. Government intervention is creeping forward all the time, and the money which the Alliance for Progress gives to these leftist governments only speeds up the march down to Socialism and eventually Communism.

"American citizens should give as much importance to stopping the socialistic policies of the Alliance for Progress as they do to impeding socialistic legislation in their own country. United States tax-payers have already spent many hundreds of millions of dollars on the Alliance for Progress, in promoting policies which are absolutely against the best interests of the Latin American countries concerned, against their economic and political freedom, and against the best interests of the United States into the bargain."

Part II

Next week, we will give more details on Alliance for Progress.

Bound Volume

The first, and only, printing of Bound Volume VIII of this *Report* (containing the 53 issues for 1962, with table of contents and extensive index) is off the press. All pre-publication orders have been filled; and we can now fill all orders within three days after receipt — as long as the limited supply lasts.

Price: $10.00, postage prepaid within the United States, on a first-come, first-paid basis. We regret to announce that this is the last Bound Volume which we will be able to offer at this price. Bound Volume IX (for 1963, to be available early in 1964) will cost $13.00.

We have sold out of all Bound Volumes for the years 1955 through 1961; but we still have a few copies of the 1961 index (for those who keep their *Reports* in binders): price, $1.50. We also have a separate index for the 1962 *Reports*, at the same price — $1.50.

FOOTNOTES

(1) *The New York Times Magazine*, December 17, 1961
(2) "President Kennedy Speaks On The Alliance For Progress," a booklet published recently by the Agency for International Development, U. S. Dept. of State
(3) Department of State Publication No. 572, August 16, 1961
(4) *Congressional Record*, February 7, 1963, p. 1871, remarks of William C. Cramer
(5) *Congressional Record*, October 13, 1962, pp. A7702-3, remarks of William C. Cramer
(6) *The New York Times*, December 17, 1961, p. 37
(7) *Congressional Record*, February 26, 1962, pp. 2706 ff.

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He worked as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report.*

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